

# FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

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\*\*\* December 7, 2015 Special Noticed Meeting Minutes \*\*\*

## **I. Call to Order and Roll Call – Joanna Adams**

7:20 meeting called to order.

- Board members in attendance: Linda Boswell, Joanna Adams, Harold Hermann, Ken Kahn, Aaron Anderson
- Others in attendance include: Shelly Nolan, RATES; Jamie Campbell, serving as interim secretary; various residents of the Water District.

## **II. Reading and approval of the minutes – Joanna Adams**

Joanna read minute highlights. No revisions noted. Linda motioned for approval. Ken seconded. Motion passed unanimously.

## **III. Public comment.**

Community member noted that meetings had been occurring and he questioned why he had not been noticed previously. The prior notice process was explained. Linda noted this was the first official public meeting.

A community member stated she believes there is a leak by the Saddle Shop.

A question was raised about private well usage in the district. It was confirmed that if the well currently exists, was installed legally, is currently in operation and is not connected to the water system it is allowed.

## **IV. Operator's report – Ken Kahn**

On 11/5/15, Ken met with Lee and Shelly to locate leaks. A sizeable leak was discovered on Gordon behind lot 100. The team repositioned the valve, which allowed the home access to water. Another leak was located on the opposite side. The valve at curb box was bent over- team is currently unable to repair as it must be dug up. Until the Water District has control of the water system they are restricted from digging without Larry's presence.

Unfortunately the devices used to listen for leaks do not work well on frozen ground. The team was to locate many valves.

Further discussion on this topic is found under Old Business.

## **V. Financial Report – Linda Bosworth**

At this time the Water District has no income and no financial resources. The following funds are owed to Directors for reimbursement once the Water District has funds: \$10 – Joanna, \$22.92 to Ken for publication, \$269.45 to Linda for office supplies, printing, postage, etc, \$66 to Linda for water samples.

## **VI. Correspondence – Joanna Adams**

The Water District is continuing to update their address files. Help with this effort is appreciated. It was noted that Jim Bellmore owns 848 Bierney Road. No one at meeting knew how owned 850 Bierney Road.

## **VII. Old business.**

### **1. Discussion re location of future meetings (JA)**

It was suggested that future Water District Meetings will be held at the Badrock Fire District Conference Room. The next meeting will be January 5, 2016. Directors will be provided the code to facilitate easy access to the conference room. Motion was made by Ken, passed unanimously.

### **2. RATES line detect performed 11/5/15 and findings (KK)**

Shelly and Ken discussed the water system pressure issues. One well is running constantly. There is a large leak close to that well. Pressure and volume issue exist on Circle Drive. There is not enough flow. Sediment was discovered in the bucket. An adjustment was made on a valve at a curb stop which improved water flow to one property owner.

The water system currently includes 2 wells, generating 60 gallons per minute combined flow. Both wells are actually in good shape. Shelly reports that they are deep. However there are many other existing issues such as insufficient water storage, the use of shallowly buried 2 inch galvanized pipe, numerous leaks, clogged lines, etc. The booster tank that is right next to Larry's house next to East of River Bridge must be moved. Larry will donate property to the water district for the purpose of holding the new tank.

The ultimate goal of the Board is to legally take possession of the water system from Larry, bring it up to code, resulting in good quality water and water pressure for everyone on the system. This will be a lengthy and expensive process. The plan is to cover as much of the expense as possible with grant funding that Shelly will help the Water District obtain. Grant funding will not impact the property taxes in the community or result in a need to increase rates. The facts that the community is classified as disadvantaged, the water system is in serious disrepair and not up to code

will be an asset in seeking the grant funds. The district may eventually need to take out a small loan. Since loans must be repaid that would result in a water rate increase, therefore the goal is to keep loans to the minimum.

Once the Water District is in position to take action decisions will be run through a triage process. This will allow the district to address the most significant issues first.

3. Any updates relayed from Shelley Nolan of RATES (JA); Noted above.
4. New website (JA); **www.fcwd101.wordpress.com**  
Please check that site for Water District calendar, minutes, agenda's, miscellaneous information.
5. Confirmation Registered Agent to be updated with Secretary of State to Ken Kahn (LB); Ken signed and is now the registered agent for the water district.
6. Discussion re attorney to prepare purchase documents for water company.  
Linda motioned to have Randy Snyder (past president of MT Bar) be the attorney to prepare the documents. Passed unanimously. Linda and Rex Bosworth will prepay the fee - \$500. Randy quoted a two day turn-around.

#### **VIII. New business-Joanna Adams**

1. Larry Streeter health update: Unfortunately Larry Streeter suffered a heart attack and is currently in the hospital. His prognosis at this time is unknown. We are hopeful he will regain strength and be able to leave the hospital soon. Linda spoke to his sister Serena. He is in and out of consciousness.
2. Formal appointment of President, and vote for Vice President; Joanna Adams for 1 term as president. Motion – Linda, 2<sup>nd</sup> Ken – passed unanimously. Linda Bosworth for 1 term as vice president. Motion– Joanna, 2<sup>nd</sup> Ken – passed unanimously.
3. Adoption of Bylaws; Changed the meeting place noted in the bylaws. Discussion was held about possible revisions to bylaws at future date. It was noted they can be changed later but are needed now to move the grant writing process along. Joanna motioned to accept the bylaws as written,

with the meeting location revision noted. Vote was held and passed unanimously.

4. Agreement of director terms; Election of new directors will be held November 2016 during general election. Linda, Aaron and Harold signed up for short terms, 123. Joanna and Ken will fill directors positions 4,5 – the longer terms. Linda motioned, 2<sup>nd</sup> by Ken – passed unanimously.
5. Discussion of \$60/monthly Directors' fees to be paid by district; All directors waived the payment during the first year (until January 2017), while the board is being established. Ken motioned, passed unanimously
6. Corporate book and seal (LB); Linda donated binder and three ring whole punch to the Water District for the purpose of a corporate book.
7. Acquisition of a tax ID # (JA); Still needs to be done. Joanna will do that.
8. Opening of bank account (JA); Glacier Bank was chosen as the Water District's bank. Motion – Linda. 2<sup>nd</sup> –Joanna. Passed unanimously
9. Insurance options: Board insurance and title insurance for 3 real properties (LB); It was suggested that D & O insurance be purchased through Payne West. Two companies would provide quotes. A lot of in-depth information is needed for this process. Joanna and Shelly will work together on this process.

Title insurance is needed on all real property acquired from Larry to insure clear title. Title insurance rate is based on value. To save money all three properties should be covered by one policy. It was recommended that a realtor provide a valuation of the property. It is anticipated that the taxes have probably not been paid. Linda recommended that Shirley at Insured Title handle the process. It should cost between \$ 300- \$650. This cost includes \$175 to title company, \$7 per page, plus taxes. Shelly's has a relative who might be able to assist with the appraisal in a timely way: Chris Hephner (?).

10. Three (3) ordinances were read, indicating none of them affect the rate to be paid by any District lots (JA); public discussion; Board vote:

**--Ordinance One: There is a thirty (30) day notice requirement and prior written permission must be obtained from FCWD 101 for any person/entity wanting to access any water lines in the District for any**

**reason.** Discussion was held, noting that repairs from the house to first valve on street are the homeowner's responsibility. Beyond that, they fall to the district. It was noted that in an emergency exceptions could be made and the 30 day notice requirement could be waived. Linda motioned to accept the ordinance as written, Ken second. Vote passed.

**--Ordinance Two: There is a thirty (30) day notice requirement and prior written permission must be obtained from FCWD 101 of any person/entity wanting to add, modify, or remove underground sprinklers in the District.** Discussion included the following information: There are communities that put in irrigation meter on a voluntary basis with incentives to encourage water saving. Shelly noted that Rural Development and other development programs will require meters. So residents should be aware that will eventually occur. The private wells are not noted on the current water district map. They will need to be added. No water rights are required if the well generates less than 35 gallons per minute; higher than that does require water rights. Discussion occurred resulting in a revision to the ordinance as follows: **There is a thirty (30) day notice requiredmnt and prior written permission must be obtained from FCWD 101 of any person/entity wanting to install, alter or disconnect underground sprinklers in the District.** It was noted that this does not include minor repairs. The revised language was voted on and passed unanimously.

**--Ordinance Three: Watering of all District lot yards / gardens is permitted May through October only, even and odd days according to physical address.** Discussion occurred. Linda motioned to pass the ordinance as written, Ken second, vote passed with 4 in favor, 1 opposed.

11. Draft Bill of Sale to review acquisition of water company (LB);

Linda read the draft bill of sale she composed.

It was noted that the Water District will be acquiring ONLY the assets of Larry Streeter's Water Company NOT his company.

Vote passed unanimously to provide the draft bill of sale to Randy Snyder for his review and finalization.

12. Water sampling results of 11/30/15; additional water sampling results from 12/3/15; December 2015 sampling required; 2016 sampling required and fees from ME Lab; On Monday 11/30/15, DEQ discovered that Larry was in the hospital. He had not taken the bacteria sample so this was completed. Results: Negative for ecoli, positive coliform. Further testing (3 tests) confirmed that coliform is in the water. Coliform will not make you

sick. Three more tests were planned by Friday. A test would need to be taken at each well and one other location. The water district lacks the authority to access the wells to do the tests. If the keys cannot be obtained from Larry or his sister, DEQ may have enforcement authority to complete the required tests. Larry has also not completed the nitrate. These must be done annually at each well. The lab printed off all tests that Larry has not completed. The related fees will be \$1230 each plus monthly \$22 bacteria test. The lab noted that if testing is done in January or February they will give a 10% break because that is a slower time of year for them. Shelly noted that Energy will give you 20% discount in Billings. The Water District is waiting to hear from Mike Kropp before they can move forward.

13. Construction Lien Release recorded 12/3/15 regarding H&H Homes' \$35,000 lien; Attorney, Darrel Worm, provided Linda the recorded lien release for one lien and Kevin Severe's lien of \$16,000 is expired. Properties should be free and clear.

### **VIII. General Discussion**

January 5 agenda will include the following 3 items: (1) Discussion re obtaining quotes from engineers; (2) Discussion re hiring for positions of GM and Auditor/Treasurer; and (3) Larry Streeter's request regarding no water fees to be assessed to him for duration of his ownership of his personal property for that lot and his 2 back lots only, as well as consider his request to deed back to him the current tank lot once the "triangle" lot has been set up and operating with new tank and water system in place.

Bruce Lutz noted that he owns a building that used to serve as a pump house for the water system. It has a two inch line in basement that is energized and can be used to flush the line. The building is located next to next to Phiggs.

Currently the Water District has record of 76 residents. Letters went out to each address. Linda asked people to fill out survey sheets. These will help people determine where the issues are.

At this time the Water District is operating with a board consisting of directors appointed by the County Commissioners. The board chooses it's own officers. Beginning with the November 2016 General election and thereafter during each general election Water District residents will have the opportunity to vote for the board members.

The Water District Agenda will be posted at the gas station, e-mailed to all on the Water District mailing list and posted on the Water District website.

Linda has provided the original Water Company appraisal report to Joanna.

**IX. Questions and answers.**

It was announced that **the next meeting of the Water District will be held January 5<sup>th</sup> 2016 at 7 at the Badrock Fire Station Conference Room. This is the first Tuesday in January.**

**X. Adjournment – Joanna Adams – 9:30**

Minutes reviewed and approved as amended- January 5<sup>th</sup>, 2016.